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IDAHO PUBLIC
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Attorney for the Commission Staff

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN	)
POWER'S APPLICATION REQUESTING	) CASE NO. PAC-E-24-08
APPROVAL OF THE ANNUAL REVISION	)
TO QF VARIABLE ENERGY PRICES	)
PURSUANT TO TERMS OF THE 1992	) COMMENTS OF THE
AMENDMENTS TO POWER PURCHASE	) COMMISSION STAFF
AGREEMENTS BETWEEN PACIFICORP	)
AND IDAHO QFs	)

**COMMISSION STAFF ("STAFF") OF** the Idaho Public Utilities Commission, by and through its Attorney of record, Adam Triplett, Deputy Attorney General, submits the following comments.

## **BACKGROUND**

On April 12, 2024, Rocky Mountain Power, a division of PacifiCorp ("Company"), applied for Commission approval of updates to the Qualifying Facility ("QF") variable energy price pursuant to the terms of the 1992 amendments ("Amendment") to certain Idaho QFs power purchase agreements. Specifically, the Company requests Commission approval for a variable energy rate of \$31.76 per megawatt hour ("MWh").

The Company represents that, of the 13 QF contracts originally affected by the Amendment, only one remains in effect—the Marsh Valley Hydro contract. According to the Company, this contract will remain effective through February 28, 2028.

The Company represents that the variable energy rate is calculated as the sum of the Company's fuel costs and Colstrip variable Operation and Maintenance ("O&M") cost.<sup>2</sup> The Company represents the variable O&M costs were set based on the variable costs associated with the operation of the coal power generating facility Colstrip, excluding the generation tax and the line loss adjustments.

Based on that calculation, the Company proposes the variable energy rate applicable to deliveries commencing July 1, 2024, through June 30, 2025, should be \$31.76 per MWh.

#### STAFF ANALYSIS

Staff reviewed the Application and confirmed that the proposed rate is correct. The calculation used the data reported in the Company's FERC Form 1, and the resulting variable energy rate is \$31.76 per MWh.

#### STAFF RECOMMENDATION

Staff recommends that the Commission approve the variable energy rate of \$31.76 per MWh applicable to the energy delivered under the Marsh Valley Hydro contract, commencing July 1, 2024, extending through June 30, 2025.

Respectfully submitted this 4<sup>th</sup> day of June 2024.

Adam Triplett

Deputy Attorney General

Technical Staff: Yao Yin

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<sup>&</sup>lt;sup>1</sup> The other 12 QF contracts have expired. Ten of these contracts transitioned to new Power Purchase Agreements, and two did not seek new contracts.

<sup>&</sup>lt;sup>2</sup> The Amendment defines fuel costs "as the average cost of fuel consumed in the Utah Division plants, specifically Carbon, Hale, Naughton, Huntington, and Hunter coal plants." Application at 2. The Amendment specifies that any plant that does not operate in a calendar year will be removed from the average fuel cost calculation. Since Carbon and Hale plants are now closed, the Company removed these from its calculation.

# CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS DAY OF JUNE 2024, SERVED THE FOREGOING COMMENTS OF THE COMMISSION STAFF, IN CASE NO. PAC-E-24-08, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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PATRICIA JORDAN, SECRETARY